

Message Text

CONFIDENTIAL

PAGE 01 MADRID 01372 221947Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 PRS-01 SS-15 INR-07 TRSE-00
CIAE-00 COME-00 L-03 NSC-05 FRB-03 OPIC-03 XMB-02
/060 W

-----221953 002204 /43

P 221850Z FEB 77

FM AMEMBASSY MADRID

TO SECSTATE WASHDC PRIORITY 9072

C O N F I D E N T I A L MADRID 1372

E.O. 11652: GDS

TAGS: PFOR, MARR, ECON, SP

SUBJECT: AGENDA FOR JOING ECONOMIC COMMITTEE MEETING

REF: MADRID 694, STATE 28744, MADRID 1083

1. SUMMARY: IN DISCUSSION WITH FOREIGN MINISTRY DURING PAST WEEK EMBASSY HAS DEVELOPED INFORMAL PROPOSED AGENDA FOR MARCH 14 JOINT ECONOMIC COMMITTEE MEETING WITH SIX GENERAL HEADINGS DEALING WITH US FOREIGN ECONOMIC POLICY, SPANISH ECONOMIC PROSPECTS, BILATERAL TRADE AND PAYMENT FLOWS, BILATERAL TRADE RESTRICTIONS, FISHING AND MULTI-LATERAL ECONOMIC ISSUES OF MUTUAL INTEREST. FOREIGN MINISTRY AGREED TO SIX GENERAL HEADINGS PROPOSED BY EMBASSY, BUT IS ADAMANT IN INSISTING ON SUB-HEADINGS MENTIONING SPECIFIC TOPICS OF SERIOUS CONCERN TO SPAIN. RESULT THUS FAR FOR WASHINGTON CONSIDERATION IS ROUGHLY BALANCED AGENDA WITH SPECIFIC TOPICS FOR DISCUSSION. END SUMMARY.

2. AS FOLLOW ON TO AGREEMENT REACHED AT US-SPANISH COUNCIL MEETING, EMBOFF MET FEB. 16 WITH MFA DIRECTOR GENERAL FOR INTERNATIONAL ECONOMIC AFFAIRS (GAMIR) TO DISCUSS AGENDA FOR JOINT ECONOMIC COMMITTEE MEETING NOW SCHEDULED FOR MARCH 14. AS GOS AGENDA PROPOSAL, CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MADRID 01372 221947Z

GAMIR PRESENTED SAME LIST OF TOPICS SPAIN HAD PROPOSED EARLIER WHEN REQUESTING URGENT MEETING OF COMMITTEE FEBRUARY 7 (MADRID 694). EMBOFF SAID THAT WHILE US WAS OF COURSE PREPARED TO DISCUSS ANY ECONOMIC ISSUES GOS MIGHT RAISE, SUCH A PROPOSAL WAS UNACCEPTABLE TO THE US SINCE IT WAS MERELY A LISTING OF SPANISH COMPLAINTS RATHER THAN A BALANCED AGENDA OF ECONOMIC TOPICS OF

MUTUAL INTEREST AND CONCERN. AS INITIAL INFORMAL US PROPOSAL, EMBOFF SUGGESTED A MORE NEUTRAL AND GENERAL AGENDA CONSISTING OF FOLLOWING SIX TOPICS:

- A. UNITED STATES FOREIGN ECONOMIC POLICY
- B. PROSPECTS FOR SPANISH ECONOMY DURING 1977 AND RELATED POLICY MEASURES
- C. BILATERAL TRADE AND PAYMENT FLOWS
- D. BILATERAL TRADE ISSUES
- E. FISHING
- F. MULTILATERAL ECONOMIC ISSUES OF MUTUAL INTEREST

3. GAMIR SAID GOS COULD NOT ACCEPT SUCH A GENERAL AGENDA WHICH, WHEN PUBLICIZED, WOULD SUBJECT IT TO SEVERE CRITICISM FROM SPANISH INDUSTRY AND PUBLIC OPINION THAT GOVERNMENT WAS NOT ADEQUATELY DEFENDING IMPORTANT SPANISH INTERESTS. HE MAINTAINED THAT SPECIFIC MENTION MUST BE MADE OF AREAS WHERE SPAIN HAS SERIOUS CONCERNS AND BELIEVES US IS TAKING ACTIONS PREJUDICIAL TO SPANISH ECONOMIC INTERESTS. ENTIRE PURPOSE OF COMMITTEE FROM GOS POINT OF VIEW IS TO DISCUSS SPECIFIC ISSUES CAUSING PROBLEMS IN BILATERAL ECONOMIC RELATIONS. IF IT WISHES, HE ADDED, US IS FREE TO INCLUDE ON AGENDA ANY TOPICS RELATING TO SPANISH ECONOMIC POLICIES OR ACTIONS OF SIMILAR SERIOUSNESS AND CONCERN TO THE US.

4. WHILE REITERATING US WILLINGNESS TO DISCUSS ALL SUBJECTS OF CONCERN TO SPAIN, EMBOFF SAID THAT SUCH A LENGTHY LISTING OF RESPECTIVE COMPLAINTS SEEMED CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MADRID 01372 221947Z

INAPPROPRIATE FOR AN AGENDA. HOWEVER, TO ACCOMMODATE GOS DESIRES FOR GREATER SPECIFICITY IN AGENDA, IT MIGHT BE POSSIBLE TO INCLUDE VARIOUS SUB-TOPICS UNDER FIVE GENERAL HEADINGS ALREADY SUGGESTED BY US (PARA 2 ABOVE). SUCH SUB-TOPICS MIGHT INCLUDE SPANISH INFLATION, TRADE AND CURRENT ACCOUNT DEFICIT, AND FINANCING OF DEFICIT; BILATERAL US-SPANISH BALANCE OF PAYMENTS, EXPORT-IMPORT BANK CONTRIBUTION, MEASURES TO ENCOURAGE FOREIGN INVESTMENTS, EXPANSION OF FOREIGN BANKING FACILITIES IN SPAIN, AND DOUBLE TAXATION AGREEMENT; QUANTITATIVE RESTRICTIONS, SUBSIDIES, COUNTERVAILING DUTIES, AND SPANISH QUOTA SYSTEM, MTN, IEA, CIEC.

5. AFTER FURTHER SPANISH CONSIDERATION AND ADDITIONAL MEETING BETWEEN EMBOFF AND FOREIGN MINISTRY OFFICIALS FEBRUARY 18 AND 19, FOLLOWING TENTATIVE AGENDA WAS WORKED OUT:

PROPOSED AGENDA

- I. UNITED STATE FOREIGN ECONOMIC POLICY

II. PROSPECTS FOR THE SPANISH ECONOMY DURING 1977 AND RELATED
POLICY MEASURES

A. INFLATION

B. TRADE AND CURRENT ACCOUNT DEFICIT

C. FINANCING DEFICIT

III. BILATERAL TRADE AND PAYMENTS FLOWS

A. BILATERAL BALANCE OF PAYMENTS

B. MEASURES TO ENCOURAGE FOREIGN INVESTMENT

C. EXPORT-IMPORT BANK CONTRIBUTION

D. EXPANSION OF FOREIGN BANKING FACILITIES IN SPAIN

E. DOUBLE TAXATION AGREEMENT

IV. BILATERAL TRADE ISSUES

A. QUANTITATIVE RESTRICTIONS

1. QUOTAS ON SPECIALITY STEEL

2. SPANISH QUOTA SYSTEM

B. REBATES AND COUNTERVAILING DUTIES

1. SHOES, OLIVES, VITAMIN K, AND ZINC

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MADRID 01372 221947Z

2. SPANISH TAX REBATE ON EXPORTS

3. U.S. DISC SYSTEM

C. FOOD AND DRUG ADMINISTRATION REQUIREMENTS

1. PIMENTOS, TOMATOES, AND OTHER FOOD PRESERVES

2. LABELLING REQUIREMENTS

V. FISHING

VI. MULTILATERAL ECONOMIC ISSUES OF MUTUAL INTEREST MTN, IEA, AND

CIEC

6 COMMENT. ALTHOUGH THE ABOVE TENTATIVE AGENDA IS
DETAILED, IS IS BALANCED AND NEUTRAL, MEETING THE
SPANISH DESIRE TO SPECIFY SUBJECTS IN WHICH IT HAS A
PRIME INTEREST WITHOUO APPEARING TO BE A COMPLAINT LIST.
WE BELIEVE THAT MANY OF THE SUBJECTS ON THE AGENDA
CAN BE DEALT WITH RAPIDLY, LEAVING TIME EVEN IN A
ONE-DAY MEETING FOR POINTS ASSISTANT SECRETARY KATZ
MAY WISH TO EMPHASIZE. STABLER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, MEETING AGENDA, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MADRID01372
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770061-0867
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770221/aaaaasyx.tel
Line Count: 156
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 05f360c3-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 MADRID 694, 77 STATE 28744, 77 MADRID 1083
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3266333
Secure: OPEN
Status: NATIVE
Subject: AGENDA FOR JOINING ECONOMIC COMMITTEE MEETING
TAGS: PFOR, MARR, ECON, SP, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/05f360c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009